

Alternative Fuels



Breathe Easier...

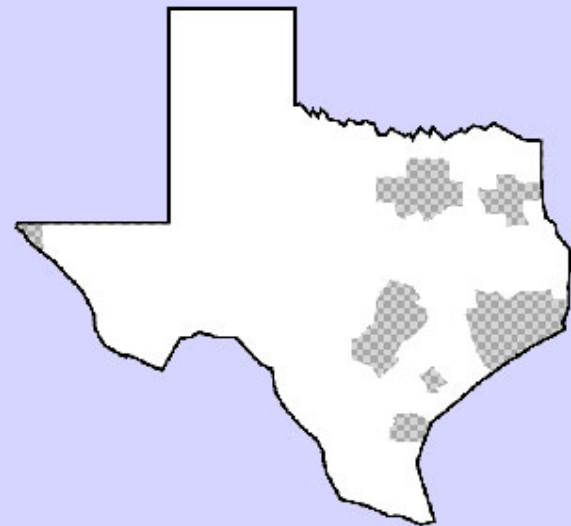
Texas Emissions Reduction Plan (TERP)

Established in 2001 by SB5 which
authorize the Emission Reduction
Incentives Grants.

(NGVTF Sept.09.2003)

Purpose

To provide monetary incentives for projects to improve air quality in the States 4 non-attainment areas. There are 38 eligible counties.



Eligible Activities

- On-Road heavy-duty diesel powered vehicles (10,000 lb. GVWR).
- On-site refueling infrastructure.
- On-site infrastructure for electricity.
- On-vehicle infrastructure.
- Use of qualifying fuel.
- Demonstration of new technology.

Eligible Activities



- Retrofit and add-on activities must be certified to reduce Nox by 30% for the engine installed on the vehicle.

Eligible Activities

Repower

- New Factory engine- must emit 30% less Nox than current year minimum std.
- Remanufactured engine-after 1987, 30% less than the year of the engine being replaced.
- Remanufactured - before 1987 must be improved by 50% for the year being replaced.

Disposition of old Engine

Any engine replaced under this program may not be used within an eligible county during the activity life,

Infrastructure *Reimbursed*

- Invoiced cost of infrastructure equipment.
- Associated supplies directly related to the installation.
- Design and engineering work .
- Re-engineering and construction cost to an existing site.

Qualifying Fuel

- Reimbursement of the incremental cost associated with the purchase and use of qualifying fuel or fuel additives, 18 months only
- For fuel additives, the incremental cost include the full cost of the additive.
- Qualifying fuel must be verified by the EPA or CARB, and other than std gasoline or diesel.

Demonstration of New Technology

- Must demonstrate practical low-emission technologies, repower options and advanced technologies for Hvy-duty diesel.
- Expense will be reimbursed that are directly attributable to the project.
- Case by case basis.

Cost effectiveness



- May not exceed \$13,000 per ton of Nox.
- Demonstration projects do not need a cost standard.

Fees are not Taxes



- Increase cost for a certificate of title from \$13 to \$33, \$28 dollars.
- Impose a 1% surcharge on retail sale of on road diesel.
- Impose surcharge on sale, rental and lease of off-road diesel.

Funding

- Constitutionally solid funding.
- \$120 million dollars the first year.
- \$170 million dollars the last year.
- Average roughly \$150 million annually.

Funding

- \$131.25 million (87.5%) will go to Heavy - duty Grant program.
- \$14.25 (9.5%) will go towards Research and Development.
- The remaining 3% will go towards administration of the program.



Contact Sheet

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